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FOR RELEASE
APRIL 26, P.M.

AGRICULTURAL OUTLOOK DIGEST

ECONOMIC RESEARCH SERVICE • U.S.D.A. • WASHINGTON, D. C.

AOD-88 APRIL 1962

The farm outlook picture for 1962 is about the same as last fall's forecast.

● Outlook for Farmers' Income: Farmers' realized net income this year is estimated around the 1961 level of \$12.7 billion--a billion dollars more than 1960 and the highest since 1953. Cash receipts in 1962 probably will exceed the \$34.8 billion of 1961 and total payments to farmers participating in the Feed Grain and Wheat programs will be higher. But higher production costs will probably hold net income at 61 levels.

● Outlook for Livestock Products: Somewhat larger marketings and slightly lower prices than in 1961. Marketings of hogs, cattle, and milk will probably top last year's totals; broilers and eggs, about the same; and turkey marketings a little smaller.....Higher prices are likely for sheep, lamb, and turkey; somewhat lower prices for hogs, eggs, and milk; and little change for cattle, calves, and broilers.

● Outlook for Crops: Smaller marketings than a year earlier are likely; prices, higher. Main reasons for prospective smaller marketings are production cutbacks expected under the continued Feed Grain Program and the new 1962 Wheat Program and a drop-off in crop plantings as indicated by USDA March 1 intentions report.

● Exports of farm products this year may total around \$5 billion, about the same as in 1961. A drop is expected in cotton exports, but larger shipments of fats and oils and feed grains should be about offsetting.

DAIRY--Price supports for manufacturing milk and butterfat were lowered on April 1....To \$3.11 (from \$3.40 per hundredweight) for manufacturing milk and to 57.2 cents (from 60.4 cents per pound) for butterfat. Previous support prices had been in effect since March 10, 1961.

Lower supports may slow down current rate of milk production through lower feeding rates and a prospective rise in cow slaughter the last half of 1962 over the same period last year. The first quarter rate of milk production was 2 percent more than a year earlier.

LIVESTOCK--Fed cattle supplies through late spring and early summer will dip sharply below a year earlier, when beef output was exceptionally high,

then rise above in late summer and fall. As supplies increase, some price weakness is likely....Prices are expected to average below year-earlier levels through the fall marketing period.

Hog slaughter, up to early summer, will not change greatly.....Currently it's nearly 4 percent larger than a year ago....Outlook for hog prices this summer and fall has improved since last December. The gain in the spring pig crop likely will be smaller than earlier estimates. If so, hog prices this fall could average almost as high as last fall's prices.

EGGS--Prices for eggs have been under year-earlier levels since last August....They are likely to continue under through the summer. The price weakness stems from larger output and less demand for storage than a year ago.

POULTRY--Broiler prices in mid-April were about the same as a year ago in southern producing areas, averaging about 14 cents per pound. Prices in the second quarter are expected to decline....but not as drastically as a year earlier. The difference is prospects for 5 percent smaller per capita supplies. In the second quarter of 1961, broiler prices broke sharply with an upward surge in supplies.

FEED GRAINS--Supplies of feed grains and other concentrates in the 1962-63 season may about equal this season's supplies. Farmers intentions, as of March 1, were to plant about the same total acreage to feed grain crops as the 130 million acres planted in 1961. In prospect is a 3 percent increase in corn and a 2 percent increase in sorghums....About offsetting are expected reductions in oat and barley acreages.

SOYBEANS--About 430 million bushels of soybeans are likely to be crushed this year--a new record and 7 percent above last year's crush. With exports expected to reach 170 million bushels, a carryover of around 55 million is likely this October 1. Such a carryover, though 49 million above a year earlier, would only represent about a month's requirement for crush and export.

WHEAT--April 1 estimates set the winter wheat crop at 921 million bushels--14 percent below the 1961 crop but 5 percent above the 1951-60 average. Allowing for the spring crop, total 1962 wheat crop would be about 100 million bushels less than last year and the smallest harvest since 1957.

TOBACCO--Demand for cigarette tobaccos, mostly flue-cured and burley, is expected to continue strong in the 1962-63 season. Cigarette output will likely reach a new high in 1962 with leaf exports probably somewhat larger than a year earlier. In 1961 cigarette output reached 528 billion--up 4 percent from the preceding year....Filter tips accounted for 52 1/2 percent and non filters for 47 1/2 percent.